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5 JUL 1962

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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : OXCART/CORONA Possible Strike Situation at Lockheed Aircraft Corporation, California

1. This memorandum is for information only.

2. Lockheed Aircraft Corporation, California, now is in the process of negotiating a new contract with the International Association of Machinists (IAM) District 727 Union inasmuch as the current two year union contract expires 14 July 1962. On 1 July, 91.3% of IAM District #727 membership voted strike authority to its union leadership in the current negotiations. If a work stoppage should occur it probably would halt work on OXCART and CORONA projects at Lockheed.

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3. [REDACTED] Director of Industrial Security, Lockheed California Division, is Acting Director of Industrial Relations while [REDACTED] the Director of Industrial Relations, is heading the Lockheed negotiating team dealing with IAM District #727 leadership. The following is a summary of [REDACTED] assessment of the situation as of 28 June 1962:

a. Among the 24,000 employees of Lockheed Aircraft Corporation, California, about seventy per cent are members of a union, chiefly the IAM. A very small number are represented by other unions, mainly AFL-CIO affiliates. Lockheed negotiations are being conducted with the IAM only since company officials feel certain that any settlement with the IAM would be agreeable to other unions.

b. For the past month there have been more than fourteen day-long meetings between Lockheed and IAM District #727 negotiating teams. For the most part these sessions have not been concerned with those issues which the participants generally regard as the more substantive ones. The key issue is the union shop question. A somewhat lesser though important issue is a wage increase of three per cent being sought by the IAM. The initiative in negotiations thus far has been taken by the IAM negotiators with a wide range of topics raised.

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c. In the opinion of [REDACTED] and colleagues there will be no work stoppage at Lockheed Aircraft Corporation, California, nor a strike against the major aerospace industries this year. (North American Aviation, Douglas and Convair also now are negotiating new contracts, but have not as yet settled with the unions.) Lockheed, at the direction of the Chairman of the Board, has made no preparations for a strike. Normally, appropriate measures are taken about thirty days prior to an anticipated strike date. [REDACTED] personal belief is that the IAM negotiators feel that they can count on considerable support for their demands from Washington, i.e., the Government. [REDACTED] predicts that no settlement will be reached with the IAM until the key issues are acknowledged publicly and presented to the President and the Secretary of Labor. At that point, in [REDACTED] opinion, management and labor will accede to whatever recommendations are made for a settlement. [REDACTED] feels that Lockheed Aircraft Corporation would even concede on the issue of a union shop since it is so dependent on government contracts.

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d. [REDACTED] plan to visit Washington during the week of 8 July 1962, at which time they anticipate presenting Lockheed briefs on the negotiations to the Department of Labor.

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4. Plans are under way to have DD/R-OSA representatives and the Legal Counsel, Mr. Lawrence Houston, briefed on the status of negotiations by [REDACTED] during his impending visit to Washington. Also, immediate steps are being taken by Mr. Houston and DD/R-OSA personnel to contact DOD/USAF representatives concerned with monitoring the Lockheed-IAM negotiations for the purpose of ascertaining DOD's assessment of the situation and contingency planning.

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Signed Herbert Scoville, Jr.

HERBERT SCOVILLE, JR.  
Deputy Director  
(Research)

cc:

Cob

DISCLOSURE:

SIGNATURE RECOMMENDED:

[REDACTED] (3 1973 TDS)

JAMES A. CUNNINGHAM, JR.  
Acting Assistant Director, OSA

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